Clean Fuels Outlet Summary of Proposed Changes

May 26, 2010 Sacramento, California

Reason for focus on CFO

Resolution 09-66 adopted at Dec. 2009 board hearing

- Pertains mostly to the ZEV regulation
- Includes complementary policies to spur infrastructure:
 - Financial incentives
 - Regulatory incentives
 - Regulatory mandate

Applicability

Current

- All alt fuels and AFVs certified to LEV standards (CNG, LNG, ethanol and methanol)
- Electricity fuel specifically excluded from definition of designated clean fuel

Possible Changes

- AFVs that meet high GHG standard, 2016 fleet average or cleaner, and
- AFVs that meet SULEV or better, or ZEV standards for criteria emissions
- Remove flex fueled vehicles
- Add BEVs and electricity?

Projections & Activation Trigger

Current

- Annual projections made two years out (i.e., 2010-2012)
- Number of DCFVs based on projections and actual sales and leases
- Triggered at 20,000 of one type of DCFV
- 75% of fleet vehicles subtracted from total

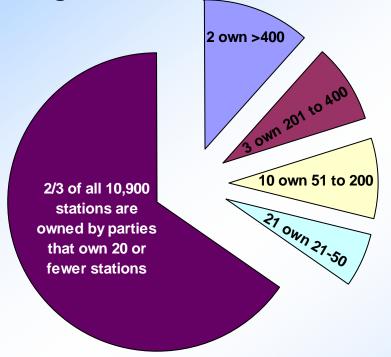
Possible changes

- Projections three years out (three year projection gives responsible party an extra year to site, permit, build outlets)
- 2000 to 5000 DCFVs
- Continue fleet discount?

Regulated Party

Current

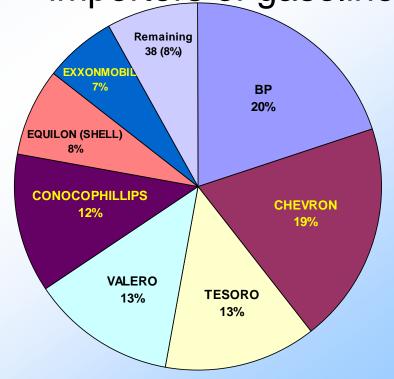
Owner/lessors of gasoline retail outlets



Data source: State Board of Equalization, NAICS Code 4471, 9/2009

Proposed

 Producers and importers of gasoline



Data source: Board of Equalization, www.boe.ca.gov/sptaxprog/spftrpts.htm

Other Changes & Schedule

Other possible changes

- Early compliance incentives
- Credit system for compliance
- Include an needs assessment of AFVs and infrastructure

Current Schedule

 Third workshop August 2010